



AARP South Carolina
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March 15, 2010

Docket No. 2009-489-E

Public Service Commission of South Carolina
Att: Docketing Dept.
P.O. Drawer 11649
Columbia, SC 29211

AARP South Carolina submits the following comments regarding the rate request submitted by South Carolina Electric and Gas (SCE&G) in the above-referenced docket. AARP is a nonprofit, nonpartisan membership organization with more than 530,000 members in South Carolina, dedicated to making life better for people 50 and over. We provide information and resources and engage in legislative, regulatory and legal advocacy.

AARP South Carolina is very concerned with the potential impact of the South Carolina Electric and Gas' rate increase proposal and the impact it will have on our members and other SCE&G customers. According to information in The State newspaper and other news sources, SCE&G has been approved for a 2.5 percent rate increase annually for the next decade, following a 4.4 percent rate hike in 2008. Further, it was reported that a new rate hike will boost residential power bills for the average SCE&G customer by about \$140 a year by July 2011.

SCE&G customers currently pay \$118 for 1,000 kilowatt hours of monthly usage. In comparison, Duke Power customers pay \$93 for 1,000 kilowatt hours following its recent rate increase. The rate boost, if granted, would raise a bill for 1,000 kilowatt hours to \$130. SCE&G has higher rates than other investor-owned utilities, as well as publicly owned Santee-Cooper. This in a state that has the 47th lowest per capita income as compared to all other states, according to a 2007 US Census Bureau report.

It is hard to conceive that the 700,000 South Carolinians on Social Security who did not receive a cost-of-living increase in 2010 or the many retirees who saw their nest eggs melt away, may now face the potential of a rate increase that would allow SCE&G an 11.6% rate of return. SCE&G should not place this additional burden on its customers at a time of hardship for so many.

This case is important to AARP members who are already struggling to pay their utility bills. For older South Carolinians in particular, to have air-conditioning during the summer and heat during the winter at an affordable rate is absolutely necessary. Older Americans are particularly vulnerable to rapid increases in energy prices. Although they consume approximately the same amount of energy as do younger people, older Americans devote a higher percentage of total spending to residential energy costs. This may be because older people spend a greater proportion of their income on home heating costs (even after adjusting for weather and home size). Low-income older households spend an average of 13 percent of their income on residential energy. However, about one of every four low-income older households spends 19 percent or more of their entire income on



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home energy bills. Too often, low-income older people must choose between risking their health and comfort by cutting back on energy expenditures and reducing spending for other basic necessities.

We are asking that this rate increase be denied at this time. AARP-South Carolina will make sure that our members are aware of the public hearings that will be held concerning this issue and encourage them to make their concerns known.

Sincerely,

A handwritten signature in cursive script that reads "Jane Wiley".

Jane Wiley, State Director
AARP South Carolina